



OraSure Technologies Reports Record Revenues

July 27, 2001

BETHLEHEM, Pa.--(BW HealthWire)--July 27, 2001--

-Revenues Increase by 19%-
-Operating Loss Improves by \$540,000-

OraSure Technologies, Inc. (Nasdaq:OSUR), the market leader for oral fluid diagnostics of infectious disease and drugs of abuse, today announced record revenues for the second quarter of approximately \$8.5 million compared to \$7.2 million for the same period a year ago, a 19% increase. This record was achieved despite revenue lost as a result of the discontinuation of the Serum Western Blot product in January 2001. Excluding revenue from the prior period for the discontinued Serum Western Blot product, total revenue would have increased approximately 24%.

The operating loss was approximately \$612,000 for the quarter ended June 30, 2001, representing an improvement of \$540,000 from a year ago. The net loss was approximately \$444,000 or \$(0.01) per share for the quarter, compared to a net loss of \$337,000 or \$(0.01) per share for the second quarter of 2000, which included a one-time gain of \$600,000 on the sale of securities in 2000. The Company experienced positive cash flow from operations, as measured by EBITDA (earnings before interest expense, taxes, depreciation and amortization), of approximately \$175,000 for the quarter.

During the second quarter, the Company achieved two significant regulatory milestones with respect to the UPlink(TM) and OraQuick(R) products. The Company filed a 510(k) application with the U.S. Food and Drug Administration (FDA) for its UPlink(TM) reader and six oral fluid drugs of abuse assays - cocaine, opiates, amphetamine, methamphetamine, PCP and marijuana. In addition, the Company filed with the FDA for pre-market approval of its OraQuick(R) HIV test for serum and whole blood applications. A similar filing for oral fluid specimens is expected to be made in the fourth quarter of 2001.

Revenues from the sale of oral fluid collection devices and related immunoassay tests increased approximately 21% due to continued penetration into the public health, insurance and drugs of abuse testing markets. License and product development revenues related to UPlink(TM) increased approximately \$310,000, or 263%, as a result of the receipt of milestone payments under existing development arrangements. Revenues were negatively impacted by the delay of OraQuick(R) sales to the Centers for Disease Control and Prevention and the Company's distributor in Africa. The Company anticipates the sales of OraQuick(R) to both customers to occur in the third quarter.

Robert D. Thompson, Chief Executive Officer of OraSure Technologies stated, "The steady growth in sales of OraSure(R) and Intercept(TM) collection devices and related assays confirms the continuing adoption of oral fluid diagnostics in many markets. Despite the delay in OraQuick(R) shipments, we achieved record revenues for the quarter. Furthermore, by hitting our UPlink(TM) and OraQuick(R) regulatory milestones, OraSure Technologies is positioning itself for another strong year of growth in 2002."

Gross margins improved to approximately 65% for the quarter ended June 30, 2001, compared to 64% last year, principally as a result of the Company's manufacturing reorganization in the first quarter of 2001 and higher license and product development revenues. The Company's gross margin is anticipated to continue to improve during the remainder of the year.

Operating expenses increased approximately 10% to \$9.1 million for the quarter ended June 30, 2001, as compared to the comparable quarter last year. Research and development expenses increased approximately 15% to \$2.4 million as a result of continued development and clinical trial expenses for both the OraQuick(R) and UPlink(TM) products. Sales and marketing expenses increased approximately 14% to \$2.1 million as a result of increased spending levels intended to expand product sales globally and prepare for a market launch of UPlink(TM) in the third quarter. General and administrative expenses declined approximately 9% to \$1.6 million as a result of cost savings associated with the merger of Epitope, Inc. and STC Technologies, Inc. into OraSure Technologies last year.

Internet Audio Broadcast

OraSure Technologies will host a conference call with analysts to discuss these results beginning at 11:00 a.m. Eastern Time (8:00 a.m. Pacific Time) today. In order to listen to the conference call, please go to OraSure Technologies' web site, www.orasure.com, at least ten minutes prior to the start of the call to register, download and install any necessary audio software. In addition, a replay will be archived on OraSure Technologies' web site shortly after the call has ended and will be available for 30 days.

A replay of the call can also be accessed until July 30, 2001, by dialing 888/203-1112 (Domestic) or 719/457-0820 (International) and entering the confirmation number 437867.

Condensed Financial Data			
(In thousands, Except Per-Share Data)			
(Unaudited)			
Three months ended		Six months ended	
June 30,		June 30,	
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2001	2000	2001	2000

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Results of Operations				
Revenues	\$ 8,508	\$ 7,161	\$ 15,912	\$ 13,780
Operating costs and expenses	9,120	8,313	17,303	15,824
Manufacturing restructuring costs	--	--	450	--
Operating loss	(612)	(1,152)	(1,841)	(2,044)
Other income (expense), net	168	815	400	873
Net loss	(444)	(337)	(1,441)	(1,171)
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Basic and diluted net loss per share	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (0.03)
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Shares used in computing basic and diluted net loss per share	36,702	34,818	36,580	34,130
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Product Revenue Summary

Three Months Ended June 30,

	Dollars			Percentage of Total Revenues	
	2001	2000	% Change	2001	2000
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Product Sales					
Oral specimen collection devices	\$3,464	\$2,887	20%	41%	40%
OraQuick(R)	6	--	N/A	0%	0%
Histofreezer(R) cryosurgical systems	1,559	1,580	-1%	18%	22%
Immunoassay tests	2,138	1,752	22%	25%	24%
Western Blot HIV confirmatory tests	104	470	-78%	1%	7%
Other product sales	809	354	128%	10%	5%
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	8,080	7,043	15%	95%	98%
License and product development	428	118	263%	5%	2%
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Total revenues	\$8,508	\$7,161	19%	100%	100%
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Six Months Ended June 30,

	Dollars		%	Percentage of	
	2001	2000		Total Revenues	
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Product Sales					
Oral specimen collection devices	\$ 6,717	\$ 5,415	24%	42%	39%
OraQuick(R)	240	--	N/A	2%	0%
Histofreezer(R) cryosurgical systems	2,779	2,944	-6%	17%	21%
Immunoassay tests	3,808	3,514	8%	24%	26%
Western Blot HIV confirmatory tests	328	886	-63%	2%	6%
Other product sales	1,099	771	43%	7%	6%
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	14,971	13,530	11%	94%	98%
License and product development	941	250	275%	6%	2%
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Total revenues	\$15,912	\$13,780	15%	100%	100%
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About OraSure Technologies

OraSure Technologies, Inc. develops, manufactures and markets medical devices and diagnostic products for use by public- and private-sector clients, clinical laboratories, physicians' offices and workplace testing.

OraSure Technologies is the leading supplier of oral fluid collection devices and assays to the life insurance industry and public health markets for the detection of antibodies to HIV. In addition, the Company supplies oral fluid testing solutions for drugs of abuse testing. For more information on the Company, please visit www.orasure.com.

This press release contains certain forward-looking statements, including with respect to revenues, earnings, gross margins, product shipments, sales and markets, and regulatory filings. Actual results could be significantly different.

Factors that could affect results include ability to market products; impact of competitors, competing products and technology changes; ability to develop, commercialize and market new products; market acceptance of oral fluid testing products and up-converting phosphor technology products; ability to fund research and development and other projects and operations; ability to obtain and timing of obtaining necessary regulatory approvals; ability to develop product distribution channels; uncertainty relating to patent protection and potential patent infringement claims; ability to enter into international manufacturing agreements; obstacles to international marketing and manufacturing of products; loss or impairment of sources of capital; exposure to product liability and other types of litigation; changes in international, federal or state laws and regulations; changes in relationships with strategic partners and reliance on strategic partners for the performance of critical activities under collaborative arrangements; changes in accounting practices or interpretation of accounting requirements; equipment failures and ability to obtain needed raw materials and components; and general business and economic conditions.

These and other factors are discussed more fully in the Securities and Exchange Commission filings of OraSure Technologies, including its Annual Report on Form 10-K for the year ended December 31, 2000. Although forward-looking statements help to provide complete information about future prospects, readers should keep in mind that forward-looking statements may not be reliable.

The forward-looking statements are made as of the date of this press release and OraSure Technologies undertakes no duty to update these statements.

www.orasure.com

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